

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

MEMORANDUM & ORDER

- against -

07-CV-4370 (NGG)

ZEV SALTSMAN, MENACHEM EITAN,
STEVEN NEWMAN, EDWARD NEWMAN,
ANDREW BROWN, MARTIN WEISBERG,

Defendants.

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NICHOLAS G. GARAUFIS, U.S. District Judge.

By motion filed on January 10, 2008, the United States Attorney for the Eastern District of New York, a non-party to this action, seeks to intervene, pursuant to Fed. R. Civ. P. 24, for the limited purpose of seeking a stay of discovery due to the pendency of a parallel criminal case, United States v. Zev Saltzman et. al, 07-CR-641 (S-1) (NGG), and a related, ongoing grand jury investigation. (Government's Memorandum of Law in Support of Application to Intervene and to Stay Discovery ("U.S. Attny. Br.") at 2 (Docket Entry # 12).) All defendants and the U.S. Securities and Exchange Commission ("SEC") consent to this application.¹ (Id.) In addition to this application by the United States Attorney, counsel for Defendant Andrew Brown has filed a letter motion on behalf of all defendants in this action other than Zev Saltzman and Menachem Eitan, neither of whom has appeared, to stay defendants' time to answer, move or otherwise respond, "in order to avoid repeated stipulations adjourning the defendants' time to respond

¹ Defendants Zev Saltzman and Menachem Eitan "have not yet appeared in the Criminal Case and have not yet been served in [this case.] Counsel for Saltzman and Eitan have informed the government that, without waiving any jurisdictional or other rights they may have, they will consent to the proposed stay when and if they are properly served" in this case." (U.S. Attny. Br. at 2.)

during the pendency of the criminal case.” (Letter from Marjorie J. Peerce to the court, dated February 8, 2008 (Docket Entry # 22).) The letter motion indicates that the “SEC takes no position on this request.” (Id. at 1.)

Having reviewed the application from the United States Attorney’s office, which is on consent of all defendants, the court orders that discovery in the instant civil action is hereby stayed pending resolution of the criminal matter captioned United States v. Zev Saltzman et. al, 07-CR-641 (S-1) (NGG), by verdict or pretrial disposition, or until otherwise allowed by the court. The parties to the instant civil case shall not seek discovery in the civil case from one another or from third parties. Furthermore, the court hereby stays all defendants’ time to answer, move or otherwise respond in this civil action until this stay is lifted.

SO ORDERED.

Dated: February 11, 2008
Brooklyn, New York

/s Nicholas G. Garaufis
NICHOLAS G. GARAUFIS
United States District Judge